

Message Text

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ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05
H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02
SS-15 ICA-11 EB-08 JUSE-00 OMB-01 TRSE-00 DOE-15
SOE-02 OES-09 CEA-01 STR-07 AID-05 /134 W
-----110795 121836Z /53

R 110955Z JUL 78
FM USINT BAGHDAD
TO SECSTATE WASHDC 6446
USDOC WASHDC
INFO AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
AMEMBASSY AMMAN
AMEMBASSY ATHENS
AMEMBASSY BRUSSELS
AMEMBASSY BONN
AMEMBASSY BERN
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY KUWAIT
:AMEMBASSY LONDON 875
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY SANA
AMEMBASSY TEHRAN
AMEMBASSY TRIPOLI

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E.O. 11652: N/A
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TAGS: ETRD, BEXP, PINR, IZ, US
SUBJECT: EAA REGULATIONS: GOI MINISTRY OF TRADE OFFICIALS DISCUSS
IRAQI BOYCOTT POLICY

REF: (A) BAGHDAD 1413 (NOTAL, (B) BAGHDAD 1306 (NOTAL)

1. SUMMARY: MINTRADE OFFICIALS DECLINE TO DISCUSS DETAILS OF

RECENT GOI PLANNING BOARD MEETING ON BOYCOTT AND TAKE HARD LINE ON POSSIBILITIES FOR EXPANDED U.S.-IRAQI TRADE. POLICY OF SELECTIVE EXCEPTIONS TO BOYCOTT RULES WILL CONTINUE, BUT DECISIONS WILL BE MADE AT HIGHER LEVEL THAN IN RECENT PAST. DETAILS OF PLANNING BOARD ACTION WILL NOT BE FORTHCOMING SOON. NED SUMMARY.

2. ECONOFF CALLED JULY 10 ON FAROUK DAWOOD SALMAN (AL-OBEIDI), DIRECTOR-GENERAL FOR FOREIGN TRADE RELATIONS, RESPONSIBLE FOR IRAQ'S WORLD TRADE WITH THE EXCEPTION OF THE ARAB STATES AND EASTERN BLOC COUNTRIES, AND ON KHALID ABDUL RAHMAN AL-DURI, DIRECTOR-GENERAL FOR BOYCOTT AFFAIRS, TO DISCUSS DRAQI BOYCOTT POLICY IN THE LIGHT OF RECENT PLANNING BOARD MEETING (REF A.).

3. AL-OBEIDI, AN INTELLIGENT ARTICULATE SPOKESMAN AND A FORMER DIPLOMAT, EMPHASIZED THAT IRAQ'S BASIC POLICY REMAINS NOT TO DEAL WITH AMERICAN COMPANIES THAT WILL NOT COMPLY WITH IRAQI BOYCOTT LAW; HOWEVER, HE FRANKLY ADMITTED THAT GOI WILL MAKE EXCEPTIONS TO THIS POLICY WHEN IT DEEMS IT IS IN ITS INTEREST TO DO SO. HE CONFIRMED THAT IRAQI COMMERCIAL ATTACHES AROUND THE WORLD, WHO ARE UNDER HIS SUPERVISION, HAVE INSTRUCTIONS NOT TO ACCEPT POSITIVE CERTIFICATES OR ORIGIN. HE SUGGESTED, HOWEVER, THAT AMERICAN FIRMS ENCOUNTERING PROBLEMS IN OBTAINING REQUIRED IRAQI CERTIFICATIONS ON SHIPPING DOCUMENTS SHOULD CONTACT THE APPROPRIATE IRAQI STATE LIMITED OFFICIAL USE

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IMPORTING AGENCY REQUESTING ASSISTANCE IN OBTAINING THE NECESSARY AUTHENTICATIONS, WHICH MAY BE GRANTED ON AN EXCEPTIONAL BASIS. HE CONFIRMED THAT REQUESTS FOR EXCEPTIONS FROM IRAQI BOYCOTT LAW MUST NOW BE REFERRED TO THE TRADE REGULATION COUNCIL FOR APPROVAL, EXCEPT FOR A NARROW RANGE OF COMMODITIES FOR WHICH BLANKET EXEMPTIONS HAVE BEEN GRANTED. HE DECLINED TO CLARIFY WHAT CATEGORIES OF PRODUCTS HAVE BEEN EXEMPTED.

4. AL-OBEIDI CLEARLY STATED THAT IRAQ DOES NOT WISH TO INCREASE TRADE WITH THE U.S. AND NOTED THAT THIS IS WHY NO COMMERCIAL ATTACHE HAS BEEN ASSIGNED TO ITS INTERESTS SECTION IN WASHINGTON. HE REFERRED TO THE POLITICAL REPORT OF THE 8TH BAATH PARTY CONGRESS POINTING OUT THAT THIS REPORT REMAINS THE AUTHORITATIVE BASIS FOR IRAQ'S TRADE POLICY WITH THE U.S. AND ADDED THAT HE SEES NO POSSIBILITY FOR A MAJOR CHANGE IN BILATERAL TRADE RELATIONS UNTIL SUCH TIME AS THE U.S. CHANGES ITS POLICY WITH REGARD TO KEY ARAB ISSUES AND CEASES TO INTERVENE IN IRAQI INTERNAL AFFAIRS. ECONOFF POINTED OUT THAT THE U.S. DOES NOT AND HAS NO INTENTION TO INTERVENE IN IRAQ'S INTERNAL AFFAIRS AND IS ONLY INTERESTED IN THE PROMOTION OF MUTUALLY

BENEFICIAL BILATERAL TRADE.

5. AS AN INDICATION OF IRAQI RELUCTANCE TO INCREASE TRADE, AL-OBEIDI POINTED TO GOI'S RECENT REJECTION OF THE USDOC VIDEO/CATALOG EXHIBITION SPONSORED BY THE SOCIETY OF PLASTICS INDUSTRIES, NOTING THAT THE NEGATIVE DECISION WAS HIS. ECONOFF ASKED IF THIS SETS A PRECEDENT FOR FUTURE USG-SPONSORED EVENTS AND AL-OBEIDI REPLIED THAT DECISIONS WILL BE MADE ON A CASE-BY-CASE BASIS.

6. SECOND MEETING WITH BOYCOTT D-G AL-DURI DID NOT PRODUCE DETAILS OF RECENT DECISIONS TAKEN BY THE PLANNING BOARD. AL-DURI DENIED THAT MAJOR POLICY CHANGES HAVE TAKEN PLACE BUT ADDED THAT HE HAS YET TO RECEIVE INSTRUCTIONS FROM THE LIMITED OFFICIAL USE

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PLANNING BOARD AND HIS NO IDEA WHEN THEY WOULD BE RECEIVED. (USINT UNDERSTANDS THAT HE WAS PRESENT AT THE PLANNING BOARD MEETING.) AL-DURI CONFIRMED THAT U.S. COMPANIES WITH REGISTERED AGENTS AND BRANCH OFFICES WILL BE CLEARED FOR DEALINGS WITH IRAQ BUT NOTED THAT THEY MAY STILL ENCOUNTER PROBLEMS IN OBTAINING CERTIFICATION OF POSITIVE CERTIFICATES OF ORIGIN FROM U.S. MANUFACTURERS. LIKE AL-OBEIDI, HE REMARKED THAT U.S. COMPANIES ARE WELCOME HERE BUT IRAQ WILL CONTINUE TO ADHERE TO ITS BASIC PRINCIPLES IN REGARD TO THE BOYCOTT AS LONG AS THE POLICIES OF THE CENTRAL BOYCOTT OFFICE IN DAMASCUS REMAIN UNCHANGED.

7. COMMENT: IRAQI OFFICIALS ARE BEING LESS THAN

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FORTHCOMING ABOUT THE DECISIONS TAKEN BY THE PLANNING
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BOARD. USINT UNDERSTANDS THAT IMPLEMENTING INSTRUCTIONS
WILL BE REPAIRED IN THE OFFICE OF RCC VICE-CHAIRMAN
SADDAM HUSSEIN AND WILL BE DISSEMINATED TO THE
MINISTRIES. THIS PROCEDURE MAY TAKE SOME TIME.
THE IMPACT OF THESE DECISIONS ON U.S.-IRAQI
TRADE WILL NOT SHOW UP IN U.S. EXPORT STATISTICS UNTIL
LATE 1978. DIRECT EXPORTS OF ONE-QUARTER BILLION DOLLARS
PER YEAR ARE THE CORE OF THE PRESENT LEVEL OF BILATERAL
TRADE. FROM HERE, IT SEEMS THAT, IN THE ABSENCE OF AN
IMPROVEMENT IN POLITICAL RELATIONS, THE ONLY OTHER HOPE
FOR INCREASING U.S. EXPORTS TO IRAQ WOULD BE FOR THE ARAB
LEAGUE CENTRAL BOYCOTT OFFICE IN DAMASCUS TO ADOPT A MORE
LENIENT POLICY REGARDING CERTIFICATES OF ORIGIN. IRAQI
OFFICIALS PIOUSLY ASSERT THAT THEY ARE ONLY FOLLOWING
POLICIES SET BY THE CBO AND IMPLY THAT A NEW POLICY WOULD
FACILITATE CHANGE IN IRAQ.
PECK

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Message Attributes

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Disposition Date: 20 Mar 2014
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